

**NORTH LONDON WASTE AUTHORITY  
RISK ASSESSMENT REGISTER**

**Business Objective:** Responsible for the waste disposal function of waste arising from NLWA constituent councils

**Completed by:** Robert Bench in consultation with Advisers      **Date completed:** 12<sup>th</sup> April 2005

Ref No	Risk Area	Analysis of Risk	Assessment of Risk (As it is now)		Evidence/Assessment of Controls	Action Plan	Responsible Officer
			Impact (Severity)	Likelihood (Probability)			
1	Implementation of the North London Joint Waste Strategy (NLJWS)	Covers the potential inability of the Authority - in conjunction with the NLWA partner authorities - to implement the strategy due to a failure to take timely decisions and secure the necessary planning consents and resources.	High	High in the short-term due to absence of agreement by all Partner Authorities (Barnet has yet to agree)	<p>At present of the Partner Authorities only Barnet has yet to approve the draft strategy. This could impact on the procurement process.</p> <p>Regular reports to the NLWA.</p> <p>Strategy monitored/reviewed and developed by Strategy Implementation Board (SIB) - Members &amp; Officers.</p> <p>Constituent borough planners' forum established to assist with the identification land resources and resolution of planning issues.</p> <p>NLWA/constituent council officer fora established at Chief Officer level to manage the implementation of NLJWS.</p> <p>Framework in place but needs to be embedded.</p>	Secure all Partner agreement to the NLJWS. Provide framework and support for SIB to develop strong/cohesive direction and make recs. to partner authority's for implementation/financing/achivem't of the NLJWS. Continue to develop working relationships with planners and constituent boroughs and develop relationships with regeneration officers.	Head of Waste Strategy and Contracts /Advisers

Ref No	Risk Area	Analysis of Risk	Assessment of Risk (As it is now)		Evidence/Assessment of Controls	Action Plan	Responsible Officer
			Impact (Severity)	Likelihood (Probability)			
2	Meeting Government Targets	<p>Achieving Government led objectives/directives particularly in relation to achievement of:</p> <p>(i) the Govt's statutory recycling targets;</p> <p>(ii) the Landfill Directive:</p> <ul style="list-style-type: none"> <li>- up to 2009/10</li> <li>- up to 2012/13</li> <li>- up to 2019/20</li> </ul>	<p>Low</p> <p>Low High High</p>	<p>Low</p> <p>Low Medium/High High</p>	<p>Strategy monitored/reviewed and developed by Strategy Implementation Board (Members &amp; Officers).</p> <p>NLWA benefits from a rising LATS Allowance allocation (DEFRA) in the period to 2009/10 but thereafter suffers a steep stepped reduction in allowances through to 2019/20.</p>	<p>Need to gather/provide up-to-date &amp; timely data from /to constituent councils.</p> <p>As in 1 &amp; 4 provide framework for effective decision-making and implementation of NLJWS.</p>	Head of Waste Strategy and Contracts

Ref No	Risk Area	Analysis of Risk	Assessment of Risk (As it is now)		Evidence/Assessment of Controls	Action Plan	Responsible Officer
			Impact (Severity)	Likelihood (Probability)			
3	Recruitment and retention of staff	Critical issue in terms of service delivery and long-term planning.	High	High	<p>Member approval in July 2004 to strengthen the Waste Strategy &amp; Contracts team (WSCT).</p> <p>WSCT relocated to new premises.</p> <p>Advisers reviewing the adequacy of all aspects of officer support to the Authority.</p> <p>Some posts filled but some senior posts are proving more difficult to fill. Need to consider further the options for filling hard to fill posts and to conclude the review of the officer support arrangements to ensure that the Authority is able to meet its long-term goals.</p>	Appoint external consultants to undertake a critical review of the Authority's officer support arrangements.	Advisers/ Head of Waste Strategy and Contracts

Ref No	Risk Area	Analysis of Risk	Assessment of Risk (As it is now)		Evidence/Assessment of Controls	Action Plan	Responsible Officer
			Impact (Severity)	Likelihood (Probability)			
4	Procurement Process	Covers: (i) Procurement of new facilities pre-Dec 2014 to deliver the NLJWS and achievement of the Govt's targets for recycling, composting and landfill avoidance. (ii) Seamless procurement and actual provision of necessary new facilities for the new main waste disposal contract post-Dec 2014.	High  High	High  High	Officers with the support of the Authority's external technical and corporate financial advisers are examining the wide-ranging issues that need to be addressed in order to provide Members with guidance on the way forward.  There is a direct link between procurement and risk areas 1,2 and 3.	Seek to achieve actions identified at 1, 2 and 3.	Advisers/ Head of Waste Strategy and Contracts
5	Treasury operation	Exposure to third party institutions, global and UK money market and potential internal fraud	High	Low	(i) Compliance with CIPFA Code of Practice (ii) Share Camden Treasury Management Strategy which is approved annually by Camden Members (iii) NLWA exposure to potential financial loss limited (pro rata to Camden investment) (iv) External/internal audit work undertaken annually on Treasury Management systems (v) Camden Treasury Management Practices Manual.	Formalise arrangements re. (iii)	Financial Adviser

Ref No	Risk Area	Analysis of Risk	Assessment of Risk (As it is now)		Evidence/Assessment of Controls	Action Plan	Responsible Officer
			Impact (Severity)	Likelihood (Probability)			
6	Landfill Allowance Trading Scheme (LATS)	<p>Exposure to risk of trading volatility in a new, and as yet ill-defined scheme that came into being on 1/4/05.</p> <p>Need to minimise risk of penalty/excess cost and maximise income potential.</p>	High	Medium/High	<p>Modelling of the Authority's projected landfill requirements indicates that the Authority should enjoy a favourable trading position up to 2009/10 but thereafter the landfill avoidance target becomes more challenging, particularly just before the NLWA/LondonWaste Ltd contract comes to an end in December 2014 and thereafter.</p> <p>There is a direct link between LATS and risk areas 1,2, 3 and 4.</p> <p>Need to develop trading strategy/monitoring arrangements/scheme of delegation and secure Member approval.</p>	<p>Continue to press DEFRA for clarity on trading/accounting arrangements for LATS.</p> <p>Secure necessary training.</p> <p>Develop trading strategy/monitoring arrangements/scheme of delegation and secure Member approval.</p> <p>As in 1 &amp; 4 provide framework for effective decision making and implementation of NLJWS</p>	Financial Adviser/Head of Waste Strategy and Contracts

Ref No	Risk Area	Analysis of Risk	Assessment of Risk (As it is now)		Evidence/Assessment of Controls	Action Plan	Responsible Officer
			Impact (Severity)	Likelihood (Probability)			
7	Waste Incineration Directive (WID)	Relates to potential failure by Londonwaste Ltd to meet the requirements of WID by 28 December 2005.	High	Low	<p>LondonWaste Ltd has appointed an experienced technical team and contractors to ensure that it is able to deliver a technical solution to meet the requirements of WID by the due date.</p> <p>LondonWaste Ltd has obtained a new banking facility to meet the cost of WID</p> <p>Progress is monitored by NLWA ('A' Directors) and SITA (UK) at Board level and also at officer level through monthly stakeholder liaison meetings. Although the timetable for achievement is challenging the Company is nevertheless cautiously confident of meeting the deadline.</p>	Continue to monitor performance.	'A' Directors  Financial Adviser/ Head of Waste Strategy and Contracts
8	Terrorist attack/action by pressure groups	<p>Internal/national implications</p> <p>Loss of one or more disposal points due to action by terrorists/pressure groups or other incidents</p>	High	Low	<p>NLWA is no longer an operational authority but has in place an Emergency Plan to deal with business interruption of services provided by its contractors.</p> <p>LondonWaste Ltd keeps under review the security arrangements at its operating sites.</p>	<p>Keep Emergency Plan under review.</p> <p>Continue to monitor operational/security arrangements through regular contract liaison meetings.</p>	Head of Waste Strategy and Contracts

Ref No	Risk Area	Analysis of Risk	Assessment of Risk (As it is now)		Evidence/Assessment of Controls	Action Plan	Responsible Officer
			Impact (Severity)	Likelihood (Probability)			
9	Prudent financial management	Requirement to control the Authority's financial process/procedures in an effective manner. Need to ensure that the Authority has sufficient resources to meet its statutory obligations.	Low	Low	<p>Prudent budgeting and contingencies established when the annual levy is determined, having regard to specific financial risks.</p> <p>Prompt and robust assessment of unbudgeted proposals and developments.</p> <p>Appropriate insurance policies.</p> <p>Review by the external auditor.</p>	Continue to maintain strong professional standards and best practice.	Financial Adviser
10	Employee Fraud or corruption		High	Low	<p>Robust arrangements for controlling payments and assets.</p> <p>Adequate supervision and transparency for contract management and negotiations.</p> <p>Staff training.</p> <p>The Authority benefits from robust procedures and systems established and enforced by the lead boroughs of Camden and Haringey (including whistleblower schemes).</p>	Continue to maintain strong professional standards best practice.	Financial Adviser/ Head of Waste Strategy and Contracts

Ref No	Risk Area	Analysis of Risk	Assessment of Risk (As it is now)		Evidence/Assessment of Controls	Action Plan	Responsible Officer
			Impact (Severity)	Likelihood (Probability)			
11	Overpayment to contractor		Low	Low	Robust arrangements for checking contracts and invoices	Continue to maintain strong professional standards and best practice.	Financial Adviser/ Head of Waste Strategy and Contracts
12	Technology/IT security	Loss of financial and operational data needed for decisions and/or accountability.	High	Low	The Authority benefits from the security procedures established and enforced by the lead boroughs of Camden and Haringey.  Off-site back-up arrangements established and maintained.  Staff training.	Keep under review.	Advisers/ Head of Waste Strategy and Contracts
13	New legislation	Failure to take account of legislative or statutory requirements (including European legislation) that impact on service provision.	Low/high (depends on legislation)	Low	Primary responsibility for monitoring within Waste Strategy and Contracts Team.  Authority also benefits from the monitoring arrangements within Camden and Haringey.  Major change - operational and financial - reported to the Authority  Advisers/Head of Waste Strategy & Contracts responses to consultations and action on potential legislation.	None.	Head of Waste Strategy and Contracts /Advisers



Ref No	Risk Area	Analysis of Risk	Assessment of Risk (As it is now)		Evidence/Assessment of Controls	Action Plan	Responsible Officer
			Impact (Severity)	Likelihood (Probability)			
14	London Mayor's aspirations for a London-wide waste disposal authority	Relates to the operational and financial impact of forming a London-wide body.	High	Medium	The London Mayor has begun a debate about the future of waste disposal authorities in Greater London. This will include a formal consultation process.	Monitor/contribute to the debate.	Advisers/ Head of Waste Strategy and Contracts
15	Joint venture with Sita (UK)	Breakdown of relationship with Sita (UK) and monitoring of shareholder interest in LondonWaste Ltd.	Low	Low	Partner meetings between NLWA Advisers/Head of Waste Strategy and Contracts and Sita (UK).  Advice to 'A' Directors prior to LondonWaste Ltd Board meetings	Continue to monitor and evaluate the Authority's shareholder interest in LondonWaste Ltd.	Advisers/ Head of Waste Strategy and Contracts
16	Decisions based on incomplete information/biased in favour of a constituent council over the others	Involves collation/presentation of pertinent financial/operational data to ensure that Members are in a position to make an informed decision.	Low/High (Depends upon importance of decision)	Low	Standard procedures/regulations in place, which are regularly reviewed and updated, and which ensure that relevant advice is included as reports to the Authority are prepared.  Lead borough arrangement and access to support of technical and corporate finance advisers enables the Authority to obtain ready access to professional resources.  Regular Adviser meetings to discuss strategic issues.  Well-understood protocol for handling conflicts of interest involving Members and/or officers.	Continue to keep under review.	Advisers/ Head of Waste Strategy and Contracts

Ref No	Risk Area	Analysis of Risk	Assessment of Risk (As it is now)		Evidence/Assessment of Controls	Action Plan	Responsible Officer
			Impact (Severity)	Likelihood (Probability)			
17	Best Value	<p>Possible risk of the Authority not meeting statutory requirements of Best Value process.</p> <p>Performance management and monitoring of Performance Indicators</p>	Low	Low	<p>Best Value Performance Plan and PI's reported to the Authority.</p> <p>External audit assessment.</p>	Keep under review.	Head of Waste Strategy and Contracts
18	Environmental Risk	Environmental damage caused by Authority activities.	Low	Low	<p>NLWA no longer an operational authority.</p> <p>Contractual requirements.</p> <p>NLWA/Contractor Liaison meetings.</p> <p>Our contractors, primarily LondonWaste Ltd, are regulated by external environmental agencies.</p>	Keep under review.	Head of Waste Strategy and Contracts

Ref No	Risk Area	Analysis of Risk	Assessment of Risk (As it is now)		Evidence/Assessment of Controls	Action Plan	Responsible Officer
			Impact (Severity)	Likelihood (Probability)			
19	Reputation	General performance of the Authority and perception of service users/government departments/inspectorates.	High	Low	<p>Regular reports to the Authority.</p> <p>Best Value and statutory financial statements subject to external audit assessment.</p> <p>NLWA/constituent council officer fora established at Chief Officer level.</p> <p>NLWA/constituent council Technical Officer Group.</p> <p>NLWA Adviser meetings.</p> <p>Stakeholder consultation for draft NLJWS.</p> <p>North London Recycling Forum of public/private/community sector organisations and private individuals.</p> <p>Annual Report.</p>	Keep under review.	Advisers/ Head of Waste Strategy and Contracts
20	Change of Political direction	Possible re-alignment of NLJWS	Depends upon change	Depends on electorate	Depends on circumstances.	SIB to review	Advisers/ Head of Waste Strategy and Contracts

